

VZCZCXYZ0009
PP RUEHWEB

DE RUEHNR #1487 1691501
ZNR UUUUU ZZH
P 171501Z JUN 08
FM AMEMBASSY NAIROBI
TO RUEHC/SECSTATE WASHDC PRIORITY 6125
INFO RUEHXR/RWANDA COLLECTIVE PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC
RUEAWJA/DEPT OF JUSTICE WASHDC

UNCLAS NAIROBI 001487

DEPT FOR AF/E, AF/RSA, AF/EPS, INL/C, AND EEB/ESC/TFS
JUSTICE FOR AFMLS, OIA, AND OPDAT
TREASURY FOR FINCEN HEATHER MOYE
TREASURY FOR DAN PETERS
TREASURY FOR OTA DEBRA VON KOCH AND CARLOS CORRERA
DEPT PLEASE FORWARD TO FEDERAL RESERVE BANK, COMPTROLLER OF THE
CURRENCY, SEC, AND FDIC

SIPDIS

E.O. 12958: N/A

TAGS: [EFIN](#) [PTER](#) [KCRM](#) [ECON](#) [KTFN](#) [KE](#)

SUBJECT: COLLABORATION ON ANTI-MONEY LAUNDERING TRAINING IN KENYA

¶1. This is an action request. Please see para 5.

¶2. Prof. Kinandu Muragu, Executive Director at the Central Bank of Kenya's School of Monetary Studies (KSMS), asked if the USG can collaborate in introducing anti-money laundering (AML) courses at the School. Noting that the regulatory response has not kept pace with the increasing challenge of money laundering in East Africa, Prof. Muragu said there is a dichotomy between the level of knowledge needed for AML compliance and traditional monitoring systems. Muragu, who is a finance professor, would like KSMS to offer courses that provide in-depth anti-money laundering knowledge to economic and financial managers within the region. As this is a new area, he believes: "We need better equipped practitioners who understand and can detect and prevent money laundering." Muragu will also approach the World Bank and IMF for assistance to design the courses.

¶3. The KSMS mission is to offer market driven training programs aimed at enhancing skills for sound economic and financial sector stability in Kenya and in the region. It offers short term management and skills development courses and professional programs in banking and information technology. KSMS, in collaboration with Moi University, also developed a market driven Master of Banking and Finance degree program which attracts students from financial sector and policy institutions all over Eastern and Southern Anglophone Africa.

¶4. Three CBK bank oversight officials attended an AML training class at the Chicago Federal Reserve in August 2007 and found it valuable, but more training is needed. The AML bill is in Parliament (again). If it passes, Kenya will need to train financial sector personnel in implementation and compliance. Even if the bill does not pass, KSMS is a respected institution with good facilities, and AML training courses there would "mainstream" the issue, both for Kenya and the entire East Africa region.

¶5. Action request: Post requests Washington agencies confer and advise if it would be possible to provide an AML course curriculum and materials for KSMS to use and/or to send some experts to Kenya to train instructors from KSMS and perhaps other East African education or training institutions on how to use them. Post also requests Treasury/OTA or State/INL check with the World Bank Program on Financial Market Integrity/Banking and Risk Management Unit, which expressed interest in helping Kenya implement the AML bill in 2006, and which may offer some program in this area.

SLUTZ